SCOPING NOTICE for Bowdoin Natural Gas Development Project

Bureau of Land Management Great Falls Field Station

DESCRIPTION OF PROPOSAL

Fidelity Exploration & Production Company (Fidelity) has notified the United States Department of Interior (DOI), Bureau of Land Management (BLM), Great Falls Field Station (GFFS), that Fidelity and other operators, including Noble Energy, Decker Operating Company, and Omimex Canada intend to drill additional exploration and development wells in the Bowdoin Natural Gas Project Area (BNGPA). The proposed BNGPA is generally located in Townships 30 through 37 North, Ranges 29 through 36 East, in Phillips and Valley Counties, Montana, as shown in the Exhibit 1. The project area is entirely within the Malta Field Office and Great Falls Field Station management areas.

The BNGPA presently contains several active fields which are predominantly spaced at four (4) wells per section for drilling of the Upper Cretaceous including, but not limited to the Niobrara, Bowdoin (Carlile), Greenhorn, Phillips, and Belle Fourche Formations (aka Colorado Group). This area contains several active Federal Units. The BNGPA has approximately 1,500 active producing gas wells, with accompanying production-related facilities, roads, and pipelines. The project area consists of approximately 813,000 acres, with surface ownership of 33% federal, 61% private, and 6% State of Montana.

The BLM has advised Fidelity and the other operators that an environmental assessment (EA) of the proposed development project will be necessary.

For purposes of conducting an environmental analysis, Fidelity and the other operators have indicated that an additional 140 exploratory wells (80 federal), 680 development wells (340 federal) and 435 replacement wells (215 federal) may be drilled at individual locations in the BNGPA. Replacement wells are wells replacing existing producing wells. The existing wells will be plugged and abandoned and the respective locations will be reclaimed. However, 10% of the proposed development wells are high geological risks and are dependent on success. Drilling is expected to last for approximately 10 to 15 years, with the life-of-project (LOP) of 30 to 50 years.

The BNGPA is currently accessed by an existing road network developed to service existing drilling and production activities. The drilling of any additional wells within the analysis area may require the construction of additional roads. The gas produced within the BNGPA would be transported by existing pipelines and new pipelines, including an upgraded gathering system with tie-ins to existing interstate pipelines. Additional new compression and produced water evaporation pits are also proposed.

RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

Judith Valley Phillips Resource Management Plan – The Judith Valley Phillips Resource Management Plan (JVPRMP) approved in September 1994, provides management direction for resources contained within the Bowdoin Natural Gas Development Project. The best management practices identified in the JVPRMP Appendix E are applicable to this proposal. These practices apply to all surface disturbing activities. The proposed development is in conformance with the JVPRMP. The environmental analysis that will be prepared on the Bowdoin proposal will incorporate appropriate decisions, terms, and conditions of use described in the JVPRMP.

Environmental Assessment for Proposed FMP Operating Company Drilling Program in the Loring Unit, East Loring Field, West Loring Field, Whitewater Unit, East Whitewater Field, Swanson Creek Field, Ashfield Unit, and the Bowdoin Unit (USDI-BLM 1989) – This environmental assessment was approved on May 10, 1989, and provided an analysis of the environmental impacts of proposed natural gas development in the above mentioned units and fields. The BLM's decision allowed natural gas development to occur up to a spacing of four wells per section subject to prescribed stipulations.

Use Authorizations - Use authorizations (i.e., rights-of-way, permits, etc.) for well pads, roads, powerlines, pipelines, and well site facilities would be processed through the BLM Application for Permit to Drill (APD) and Sundry Notice permitting process when located on-lease. Any activity located off-lease would require an approved right-of-way.

Lease Stipulations - Some leases within the proposed area include special stipulations on occupancy. These are in addition to the standard lease terms. These stipulations are designed to protect surface resources such as soils, water, and wildlife by restricting periods of activity and areas of disturbance. Application of these lease stipulations will be handled on a case-by- case basis for each APD submitted to the BLM.

NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

On reviewing the proposal from Fidelity and the other operators, the BLM has determined that an EA will be prepared. The proposed project will be analyzed in accordance with the requirements of the National Environmental Policy Act (NEPA) and related requirements, including the Council on Environmental Quality (CEQ) Regulations, 40 CFR Parts 1500-1508, and Department of Interior Requirements listed in Departmental Manual 516, Environmental Quality. To comply with NEPA and the Council on Environmental Quality regulations, which implement NEPA, the BLM is required to prepare an environmental analysis. The environmental document will serve several purposes. It will provide the public and government agencies with information about the potential environmental consequences of the project and alternatives; identify all practicable means to avoid or minimize environmental harm from the project and alternatives; and it will provide the responsible official with information upon which to make an informed decision regarding the project.

One element of the NEPA process is scoping. Scoping activities are initiated early in the process to:

- determine reasonable development alternatives to be considered in the EA;
- identify environmental/socio-economic issues of concern related to the proposed project; and
- determine the depth of analysis for issues addressed in the EA.

Additionally, NEPA requires that a "no action" alternative be considered in all environmental documents. This will allow a comparison of the economic and environmental consequences of the proposed and alternative development levels versus current development levels and existing environmental conditions. Under the No Action Alternative, no further natural gas development would occur on federal lands in the project area beyond that which has already been approved.

This scoping statement has been prepared to enable government agencies, the general public, and other interested parties to participate in and contribute to the analysis process. Public input is important in establishing the scope of analysis for any NEPA document, and the BLM encourages public participation.

IDENTIFIED RESOURCE MANAGEMENT ISSUES, CONCERNS, AND OPPORTUNITIES

The following issues and concerns have been identified by the BLM to date. It is not meant to be an all-inclusive list, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis. Once all the issues and concerns have been gathered through scoping and BLM consideration of the project, corresponding resource disciplines will be identified to conduct analysis for individual issues and concerns.

- Potential impacts to wildlife habitats within the analysis area, including big game crucial winter range, sage grouse, and raptors.
- Potential impacts from road development, increased traffic and associated impacts on existing County, State, private, and BLM roads.
- Potential social and economic impacts.
- Potential impacts to surface and groundwater resources.
- Potential impacts to steep slopes and sensitive soils within the project area.
- Potential impacts from emissions resulting from additional drilling and production activities.
- Reclamation of disturbed areas and control of noxious weed invasions.

- Potential conflicts with livestock management operations in the analysis area, including possible impacts to range improvements.
- Potential impacts to cultural and historical resources within the analysis area.
- Potential impacts to Native American sacred sites and Traditional Cultural Properties
- Potential impact to listed, or proposed for listing, plant and animal species.
- Cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands adjacent to the Bowdoin project area.
- Potential impacts to recreation.
- Potential impacts to paleontological resources

INTERIM DRILLING ACTIVITIES

While the Bowdoin environmental analysis is being conducted, the BLM will allow limited drilling of exploration, delineation/confirmation wells within the proposed project area. Interim drilling will be monitored by the BLM to ensure activities do no significantly affect the environment.

INTERDISCIPLINARY TEAM

Based on the current understanding of issues, concerns, and opportunities, and established objectives from other plans, an interdisciplinary team made up of the following specialists has been tentatively identified:

Air Quality Specialist
Soil Scientist
Range Management Specialist
Realty Specialist
Archeologist
Geologist/Paleontologist
Vegetation Specialist
Recreation Planner
Hydrologist
Petroleum Engineer
Wildlife Biologist
Interdisciplinary Team Leader
Sociologist
Economist

TIMING NEEDS OR REQUIREMENTS

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate during the scoping process to help identify the scope of the analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigative opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Please submit your comments by May 1, 2006. Written comments should be mailed to:

Address: Donato Judice, Project Manager

Bureau of Land Management Great Falls Field Station 1101 15th Street North Great Falls, Montana 59401

Email: MT Bowdoin EA@blm.gov

(Please refer to Bowdoin Natural Gas Development Project in your email response)

PUBLIC PARTICIPATION

The following individuals and organizations will receive a copy of this scoping statement:

Government Offices

Bureau of Land Management, Montana State Office

Bureau of Land Management, Havre, Glasgow, Lewistown, and Malta Field Offices

Bureau of Reclamation

Bureau of Indian Affairs

Office of the Governor

U.S. Department of the Army, Corps of Engineers

U.S. Fish and Wildlife Service

Montana Department of Environmental Quality (Land, Water and Air)

Montana Department of Natural Resources and Conservation

Montana Department of Transportation

Montana Board of Oil and Gas Conservation

Montana Fish, Wildlife and Parks

Montana State Historic Preservation Office

Elected and Other Officials

Mayor of Malta, Glasgow

Chamber of Commerce for Malta, Glasgow

State Senators

State Representatives

Phillips and Valley County Commissioners

Phillips and Valley County Libraries

U.S. Senator Conrad Burns,

U.S. Senator Max Baucus,

U.S. Representative Dennis Rehberg,

Public Land Users and User Groups

Grazing Permittees within the project boundary

Affected oil and gas lessees

Affected right-of-way holders

Montana Petroleum Association

Independent Petroleum Association of Mountain States

Sierra Club

Audubon Society

Earth Justice Legal Defense Fund

Montanan's for Multiple Use

Montana States Legal Foundation

Rocky Mountain Mineral Law Foundation

Central Montana, RAC

The Wilderness Society

National Wildlife Federation

Montana Wildlife Federation

Montana Wilderness Association

Native American Tribes

Fort Peck Assiniboine & Sioux Tribes

Fort Belknap Assiniboine & Gros Ventre Tribes

Little Shell Tribe of Chippewa Indians of Montana

Blackfeet Nation

Chippewa Cree Tribe

Turtle Mountain Band of Chippewa Indians

Crow Tribal Council

<u>Newspapers</u>

Great Falls Tribune

Phillips County News

Glasgow Courier

Associated Press

Havre Daily News

Fort Benton River Press

Lewistown News Argus

Radio Stations

KOJM – Havre

KMMR - Malta

KLTZ – Glasgow

NPR - Helena

Television Stations

KFBB - Great Falls

KRTV - Great Falls